

# OIG – Fraud Awareness

US Department of Transportation



**Office of Inspector General  
(OIG)**

Region 1 OIG, Cambridge, MA





# What is Fraud?

**Knowingly and willfully making:**

- False statements
- False claims
- Fraudulent schemes



➤ Examples:

- Time and materials overcharging
- Quality control misrepresentation
- Product substitutions
- Disadvantaged Business Enterprise (DBE) fraud - misrepresentation



# Fraud Consequences

- Fines
- Suspension
- Debarment from bidding on federal projects
- Imprisonment





# Fraud Awareness Video

## 3 Examples

- 1) Chicago Airport project  
won't show video but will discuss  
DBE fraud
- 2) Massachusetts Big Dig concrete video
- 3) Connecticut DOT catch basin video



# Chicago Airport DBE Example

- Prime contractor claimed DBE was responsible to do certain work
- DBE was actually a pass-through (did not do work)
- DBE had no "Commercial Useful Function" (CUF)
- Civil Settlement
  - \$11 million fine
  - Hire integrity person or face debarment





# Massachusetts Big Dig & Connecticut DOT Catch Basin Examples

- Watch excerpts from  
OIG video
- Listen to consequences





# FRAUD AWARENESS

## ➤ **Contact OIG:**

1-800-424-9071

[www.oig.dot.gov](http://www.oig.dot.gov)



- On-site inspection first line of defense
- Make sure contractors understand you will be monitoring work